

Listed below are highlights from the Montana 2003 Workers' Compensation Annual Report. This report contains information about Montana's workers' compensation system, including injury statistics and characteristics, benefits paid to claimants and payments made by insurers to others in the system, dispute resolution and miscellaneous regulatory programs and functions.

Claims Statistics.....17-24

There were 29,853 claims reported in Fiscal Year 2003 (FY03) compared with 32,237 reported in Fiscal Year 2002 (FY02). This is a decrease of 7.4% from FY02. The number of claims reported by the private carriers decreased while claims reported by Self-Insurers and the Montana State Fund remained about the same.

The service industry was responsible for 26.8% of all claims reported in FY03. Retail trade had the second largest percentage of claims at 13.5%.

The typical injured worker is male, employed in a service industry and suffered a strain or sprain to an upper extremity.

Benefits.....27-32

The total indemnity (wage loss) and medical benefits paid in FY03 were \$200,537,680 compared to \$179,621,821 in FY02, increasing \$20,915,859 or 10.43%.

Medical benefit payments as reported to the Department of Labor and Industry increased for all insurers. Self-Insurers' payments increased by 6.31%, Montana State Fund increased 21.1% and private carriers increased 4.49% in FY03.

Attorneys represented injured workers in 49% of all claims settled in FY03.

Dispute Resolution.....35-40

The Claims Unit of the Employment Relations Division is responsible for the occupational disease evaluation process. They processed 190 occupational disease cases in FY03. This is an increase of 9% from FY02.

The Mediation Unit completes a case by holding a conference and issuing a written recommendation. During FY03, the unit processed 1,353 claims and 1,232 petitions, maintaining an 80% resolution of its cases for the past 5 years.

The Hearings Bureau received 19 new petitions for contested case hearings in FY03, an increase of 16% from FY02.

The Workers' Compensation Court received 229 petitions, dismissed 72 petitions and issued 145 decisions in FY03.

Regulatory Assessments.....44

The administration of the Workers' Compensation and Occupational Disease Acts and the various occupational safety laws is funded by an assessment on employers and insurers. The cost of the regulatory functions in FY03 was \$4,512,300. Beginning in FY00, a new process was instituted and each insurer was assessed 3% of benefits paid.

Subsequent Injury Fund (SIF)45

SIF payments in FY03 for all dates of injury were \$236,116. There were 194 new SIF certifications during FY03 resulting in a total of 3,229 certified individuals in the state of Montana.

Uninsured Employers' Fund (UEF).....46-47

UEF provides benefits for injured employees when employers are without appropriate workers' compensation insurance. In FY03, UEF collections increased 24% from FY02, totaling \$1,071,012.

The UEF unit received 73 new claims and injured workers received \$662,301 in medical and indemnity benefits in FY03.

Occupational Safety & Health.....48-49

Mandatory inspections completed by the Occupational Safety & Health Bureau in the public sector totaled 239. They completed 275 onsite inspections in the private sector. In addition, 38 onsite inspections were performed in the coalmining industry and 84 in sand and gravel operations.

The Bureau conducted 120 formal training sessions in FY03, training 798 public and 1,702 private sector workers.

Independent Contractor Exemptions.....50-51

Independent contractors who do not wish to be covered under workers' compensation insurance may file for an exemption with the Department of Labor and Industry. New independent contractor exemption applications totaled 5,472 for FY03.

In Montana, there are a total of 29,628 independent contractors, 56% of whom are in the construction industry.

Professional Employer Organizations (PEOs).....52-53

To be licensed, a PEO must submit an application and proof of workers' compensation coverage. At the end of FY03 there were 24 PEOs licensed in Montana. These PEOs leased 2,331 employees to 274 client companies.